



Property at a Glance



GATEWAY TOWER APARTMENTS FHA#: 092-44804

ADDRESS: **600-632 W. Superior S** EARNEST MONEY: **\$75,000** SALES PRICE: **UNSTATED MINIMUM**
Duluth, MN 55802 TERMS: **All Cash-As Is**
 COUNTY: **Saint Louis** LETTER OF CREDIT: **\$114,440** SALE TYPE: **Foreclosure**

PROPERTY INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete
154	Revenue 154	1	Roof:	Flat single-ply rubber (1997)
	Non-Revenue 0		Exterior:	Cast-in-place concrete
			Floors/Finish:	Concrete /VCT & carpet

Elevator	Garden	Walk-up	Townhouse	Scattered Sites	Service Center	Mobile Home Park	Nursing Home	Vacant Land	Other:
X									

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
1	14	1972	N/A	1.14 +/-	

Mechanical Systems

Heating:	Air Conditioning
Fuel Steam	None
System Central	Insulated
Hot Water:	
Fuel Steam	
System Central	

Utilities

Public Water	X
Gas Main	
Electric	X
Sanitary Sewer	X
Storm Sewer	
Steam Co-op	X

Parking

Street	Concrete
Curb	Concrete
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	58

Apartment Features

	Air Conditioning
	Dishwasher
	Microwave
	Garbage Disposal
X	Refrigerator
X	Range/Oven
X	Drapes/Blinds

Community Features

	Garage
	Covered Parking
X	Laundry Facility
X	Cable/Sat Hookup
	Playground
	Pool
	Community Space

Owner Expense

Water
Electric
Steam

Tenant Expense

Cable

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	89%	90%	86%	89%	87%	88%	88%	86%	96%	90%	91%	92%
2010	89%	88%	88%									

ESTIMATED ANNUAL RENTAL INCOME:

Number of Units	Type	Approx Square Feet	Current Rent	Estimated /Possible After Sale Rent	Estimated /Possible Total After Sale Rent	Total Estimated/Possible Annual Income	
12	Eff.		\$266	\$266	\$3,192	Rent	\$615,960
142	1 bd.		339	339	48,138	Commercial	
						Parking	
						TOTAL	\$615,960
						Estimated Annual Expenses	
						Administrative	\$156,000
						Utilities	203,000
						Operating	102,000
						Taxes/Insurance	138,000
						Reserve/Replace	46,200
						TOTAL MONTHLY	\$51,330
						TOTAL	\$645,200

COMMENTS CONCERNING PROPERTY INFORMATION:

Domestic hot water is supplied by a city steam co-op. The steam is routed to a shell and tube heat exchanger that provides heat to a heating water loop. The individual units are heated by hot water baseboard heaters with a thermostat in each unit.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

20 Years affordable housing.

N/A Years rent cap protection for 0 residents.

No Project-based or Tenant-based Section 8 rental assistance is being offered with this property.

TERMS OF SALE

- The purchaser must complete the repairs to HUD's satisfaction within **12** months after closing. The repairs are estimated to cost **\$457,760.**
- The purchaser must complete demolition to HUD's satisfaction within **N/A** months after closing. The demolition is estimated to cost **\$0.**
- Closing is to be held **30** days after HUD accepts the bid. If HUD authorizes an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of **\$31.17** per unit per day for each 30 day period.
- Riders placed in the Deed will include the following: **Lead-Based Paint Hazards, Asbestos Hazards, Rehabilitation and Relocation, Non-discrimination against Multifamily Sec.8 Voucher Holders, Affordability of Units, Mold Hazards**

In 2007 Minnesota made significant changes to the Elevator Code including a number of retroactive codes. Please check the following sources for information: www.dli.MN.gov/CCLD/elevator.asp & www.dps.state.MN.US/fmarshal/fmarshal.html. State Fire Marshal phone numbers 651-248-5005 & 1-800-342-5354. You may also contact the Duluth Fire Marshall Eric Simonson at 218-7307-4398 regarding these requirements.

Potential investors should also check the Minnesota Department of Public Safety Carbon Monoxide Alarm Requirement and potential needs as relates to this property.

The Repair Requirements listed on the HUD9552 & the Work Write-up do not address repairs that may be required for compliance with the Elevator Code or the Carbon Monoxide Alarm Requirements.

NOTICE: Participants have the option to file the required Previous Participation Certification (aka Form HUD-2530) in digital (electronic) or paper format. For more information, contact a Realty Specialist.

For questions concerning APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588.

For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.

PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.

This is an "All Cash – As Is" sale. HUD is providing no financing for this sale. The purchaser must provide for payment of the full purchase price in cash at closing.

Submission of Bids: Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

Suspended or Debarred Parties: No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN 24 CFR, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 24.905.)

INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at <http://www.hud.gov/offices/hsg/mfh/pd/multifam.cfm>. You may also sign up for our electronic mailing list at this web address.

BIDS for GATEWAY TOWER APT.

MUST BE PRESENTED ON:

Friday, March 25, 2011

at: 12:00 noon local time

at: Sheriff's Office

St. Louis County Courthouse

100 North 5th Ave. West, Room 103

Duluth, MN 55802

HUD OFFICE:

U. S. Dept of Housing and
Urban Development

Multifamily PD Center

801 Cherry Str., Unit #45, Ste. 2500

Fort Worth, TX 76102

REALTY SPECIALIST:

Margaret Laakso

Phone : (817) 978-5821

margaret.laakso@hud.gov